

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY (“Authority”)

Ratification of Resolution No. 2012-03

Tax-Exempt Bonds Fee Reduction

April 26, 2012

At the March 29, 2012 Authority meeting, the Board approved reducing its fees for the Authority’s Tax-Exempt Bond Program. The board adopted the staff recommendations set forth within the staff report, with some modifications, as set forth with more particularity in the attached resolution. At the time of the March 29, 2012 board meeting, counsel to the Authority advised staff to prepare a resolution to memorialize the direction provided by the board. Counsel then further directed staff to request board ratification of the resolution at the Authority’s next board meeting. Accordingly, staff recommends ratification of the attached Resolution No. 2012-03.

RESOLUTION NO. 2012-03

RESOLUTION OF THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY REDUCING THE FEES FOR THE TAX-EXEMPT BOND PROGRAM

WHEREAS, the California Health Facilities Financing Authority (the "Authority"), a public instrumentality of the State of California, is authorized and empowered by the provisions of the California Health Facilities Financing Authority Act (the "Act") to issue revenue bonds and to loan the proceeds thereof to a participating health institution to finance construction, expansion, remodeling, renovation, furnishing, equipping and acquisition of health facilities operated by participating health institutions (including by reimbursing expenditures made or refinancing indebtedness incurred for such purposes); and

WHEREAS, the Authority desires to revise portions of its existing Program Fee Schedules as hereinafter set forth;

NOW, THEREFORE, BE IT RESOLVED by the California Health Facilities Financing Authority, as follows:

Section 1. The Authority hereby approves the following changes to the fees set for the Tax-Exempt Bond Program:

- A. The non-refundable application fee of \$500.00 and the resolution extension fee of \$500 are reduced to zero dollars for all entity types; and
- B. The initial fee of .075% of the aggregate amount of the bond issue, up to a maximum of \$300,000, is reduced to .05% up to a maximum of \$100,000 for the category of "Private Health Facility (or system) with annual gross revenues of \$2.5 million or greater"; and
- C. The annual administration fee of .02% of bonds outstanding is reduced to .0175%, with the \$150,000 maximum fee remaining unchanged, for the category of "Private Health Facility (or system) with annual gross revenues of \$2.5 million or greater."

Section 2. In consultation with the Authority's financial advisor, Authority staff is hereby directed to annually review the Authority's income, expenses and changes to the Authority's fund balance and to present the review, any findings deriving therefrom and any recommendations as may be appropriate to the Authority board.

Section 3. In consultation with the Authority's financial advisor, Authority staff is also directed, at a minimum of every five years, to thoroughly evaluate the impact to the fund balance from lowering the fees noted above, to project the continuing impact the reduction will have over the following three decades and to present the review, any findings deriving therefrom and any recommendation as may be appropriate to the Authority board.

Section 4. In consultation with the Authority's financial advisor, Authority staff shall review the Authority's Program Fee Schedule at any such time as the Authority's fund balance reaches a balance of \$5,250,000, such sum representing the Authority's expenses for approximately three years based on the average of the Authority's annual expenses for the fiscal years 2009/2010 and 2010/2011. Authority staff shall present the review, any findings deriving therefrom and any recommendations as may be appropriate to the Authority board.

Section 5. The Executive Director is hereby authorized and directed to do any and all things and to execute and deliver any documents, which the Executive Director may deem necessary or advisable in order to effectuate the purposes of this resolution and the directions contemplated herein.

Section 6. All other features and requirements of the Program Fee Schedule remain unchanged.

Date of Adoption: _____